

Introduced by Senator Monning

February 18, 2015

An act to ~~add Section 45.5 to the Insurance Code, relating to insurance.~~ *repeal and add Section 14087.95 of the Welfare and Institutions Code, relating to Medi-Cal.*

LEGISLATIVE COUNSEL'S DIGEST

SB 260, as amended, Monning. ~~Insurance: reports: electronic submission.~~ *Medi-Cal: county organized health systems.*

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. One method by which these services are provided is pursuant to contracts with various types of managed care health plans, including through a county organized health system.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene), provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime.

Existing law provides the California Medical Assistance Commission with the authority to negotiate exclusive contracts with county organized health systems to provide health care services under the Medi-Cal program. Under existing law, the contracting counties are exempt from Knox-Keene for purposes of carrying out those contracts.

This bill would repeal that exemption and would deem a county contracting with the department under the provisions described above

to be a health care service plan, and would subject contracting counties to the act for purposes of carrying out those contracts, unless the act expressly provides otherwise.

Because a willful violation of Knox-Keene is a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law provides for the regulation of insurers by the Department of Insurance. Existing law directs the Insurance Commissioner to enforce the execution of laws regulating the business of insurance. The existing Insurance Code requires various entities to submit certain reports to specified committees of the Legislature.~~

~~This bill would authorize certain reports required to be submitted to a committee of the Legislature pursuant to the Insurance Code to be submitted electronically, as specified. The bill would also require that a report that is required under the Insurance Code to be submitted to a committee of the Legislature also be submitted as an electronic or printed copy to the Legislative Counsel.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 14087.95 of the Welfare and Institutions*
- 2 *Code is repealed.*
- 3 ~~14087.95. Counties contracting with the department pursuant~~
- 4 ~~to this article shall be exempt from the provisions of Chapter 2.2~~
- 5 ~~(commencing with Section 1340) of Division 2 of the Health and~~
- 6 ~~Safety Code for purposes of carrying out the contracts.~~
- 7 *SEC. 2. Section 14087.95 is added to the Welfare and*
- 8 *Institutions Code, to read:*
- 9 *14087.95. A county contracting with the department pursuant*
- 10 *to this article shall be deemed to be a health care service plan, as*
- 11 *defined in Section 1345 of the Health and Safety Code, and shall*
- 12 *be subject to the Knox-Keene Health Care Service Plan Act of*
- 13 *1975 (Chapter 2.2 (commencing with Section 1340) of Division 2*

1 of the Health and Safety Code) for the purpose of carrying out
2 those contracts, unless the act expressly provides otherwise.

3 SEC. 3. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.

12 SECTION 1. ~~Section 45.5 is added to the Insurance Code, to~~
13 ~~read:~~

14 ~~45.5. (a) For purposes of this section, "report" includes any~~
15 ~~study or audit.~~

16 ~~(b) A report required under this code to be submitted to a~~
17 ~~committee of the Legislature shall also be submitted as an~~
18 ~~electronic or printed copy to the Legislative Counsel.~~

19 ~~(c) Reports required under Sections 1872.95, 11629.85, and~~
20 ~~13902 may be submitted electronically to a committee of the~~
21 ~~Legislature. This subdivision is not intended to prohibit the~~
22 ~~submission of a report electronically if authorized by any other~~
23 ~~law or the consent of any legislative committee.~~

24 ~~(d) (1) A report under this code that is submitted electronically~~
25 ~~to a committee of the Legislature, may be submitted in any of the~~
26 ~~following ways:~~

27 ~~(A) Providing the committee a digital copy of the report~~
28 ~~delivered by electronic means to a person or account designated~~
29 ~~to receive reports.~~

30 ~~(B) Providing the committee a digital copy of the report stored~~
31 ~~on permanent media delivered by first-class mail.~~

32 ~~(C) Placing the report on the reporting entity's Internet Web~~
33 ~~site so that it is publicly available for a period of no less than three~~
34 ~~years. If a report is submitted electronically in accordance with~~
35 ~~this subparagraph, the committee shall be provided notice that the~~
36 ~~report is available that includes specific instructions on how to~~
37 ~~access the report and how to request a hardcopy. The notice shall~~
38 ~~be delivered by first-class mail or by electronic means and~~
39 ~~addressed to the person or account designated to receive reports.~~

- 1 ~~(2) Reports and notices submitted electronically shall be~~
- 2 ~~provided in a standard format accessible by software or other means~~
- 3 ~~that is available without charge or obligation and is acceptable to~~
- 4 ~~the committee.~~